

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1993 – SB 2191**

March 19, 2018

**SUMMARY OF ORIGINAL BILL:** Requires the Commissioner of the Department of Health (DOH) to study the issues related to requiring the use of electronic prescriptions for controlled substances by all authorized prescribers in this state to the full extent permitted by federal law. Requires the Commissioner to report, on or before January 15, 2019, any recommendations and findings to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

**FISCAL IMPACT OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENTS (014285, 015608):** Amendment 014285 deletes all language after the enacting clause. Requires certain prescriptions, on or after January 1, 2020, for a Schedule II controlled substance in this state to be made as an electronic prescription from the person issuing the prescription to a pharmacy. Requires the Commissioner of the DOH to refer individual prescribers who violate this section to the health care prescriber's licensing board. Requires any health-related board that is affected by this section to report to the General Assembly by January 1, 2019, on issues related to the implementation of this section. The proposed legislation is effective January 1, 2019.

Amendment 015608 makes various technical corrections to the bill as amended by amendment 014285.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Increase State Expenditures - \$97,300/FY19-20  
\$74,500/FY20-21 and Subsequent Years**

Assumptions for the bill as amended:

- Based on information provided by the DMHSAS, the department would have to add a prescription module to the electronic clinical records system they are in the process of

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installing in order for patients who are discharged from Regional Mental Health Institutes to receive electronic prescriptions.

- The one-time cost associated with the module is estimated to be \$60,000. The recurring subscription cost for the module is estimated to be \$74,500. Due to the January 1, 2020 effective date, the increase in state expenditures for DMHSAS in FY19-20 is estimated to be \$97,250 [ $\$60,000 + (\$74,500 \times 50.0\%)$ ].
- Based on information provided by the DOH, the proposed legislation will not have a significant impact on the Board of Pharmacy or the Controlled Substance Monitoring Database.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period.
- The Board of Medical Examiners had an annual surplus of \$382,952 in FY15-16, an annual deficit of \$4,714 in FY16-17, and a cumulative reserve balance of \$2,855,288 on June 30, 2017.
- The Board of Osteopathic Examination had an annual surplus of \$102,565 in FY15-16, an annual surplus of \$91,307 in FY16-17, and a cumulative reserve balance of \$794,231 on June 30, 2017.
- The Board of Dentistry had an annual surplus of \$253,054 in FY15-16, an annual surplus of \$211,016 in FY16-17, and a cumulative reserve balance of \$4,317,446 on June 30, 2017.
- The Board of Optometry had an annual surplus of \$22,205 in FY15-16, an annual surplus of \$23,883 in FY16-17, and a cumulative reserve balance of \$694,558 on June 30, 2017.
- The Board of Nursing had an annual surplus of \$1,408,207 in FY15-16, an annual surplus of \$1,564,664 in FY16-17, and a cumulative reserve balance of \$9,273,968 on June 30, 2017.
- The Committee on Physician Assistants had an annual surplus of \$90,688 in FY15-16, an annual surplus of \$44,841 in FY16-17, and a cumulative reserve balance of \$718,718 on June 30, 2017.
- The Board of Pharmacy had an annual surplus of \$885,058 in FY15-16, an annual surplus of \$620,117 in FY16-17, and a cumulative reserve balance of \$2,601,038 on June 30, 2017.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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